

Message Text

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ACTION AF-18

INFO OCT-01 ADP-00 SCS-03 SCA-01 L-03 H-03 EB-11 COME-00

TRSE-00 OMB-01 OPIC-12 CIAE-00 DODE-00 PM-07 INR-10

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

INT-08 SCEM-02 RSR-01 /126 W
----- 038319

R 240952Z JUL 73

FM AMEMBASSY TRIPOLI

TO SECSTATE WASHDC 0340

LIMITED OFFICIAL USE SECTION 1 OF 2 TRIPOLI 0967

E.O. 11652: N/A

TAGS: CPRS, EFIN, ENRG, LY, US

SUBJECT: COMPENSATION FOR U.S. PRIVATE PROPERTY

SUMMARY: JULY 19 MFA INDICATED TO EMBASSY THAT IT WILLING TO PURSUE DISCUSSIONS ON CLAIMS BY PRIVATE AMERICANS TO COMPENSATION BY LARG FOR NATIONALIZED PROPERTIES. BELIEVE AF/N HOLDS APPROXIMATELY SAME FILES ON THESE CASES AS EMBASSY. REQUEST DEPT PROVIDE GUIDANCE IF DESIRED AND TRY TO UPDATE OUR INFO ON CERTAIN CASES, SPECIFICALLY ON CURRENT ATTITUDES OF SOME OF THE AFFECTED AMERICAN INTERESTS. END SUMMARY.

1. JULY 19 CHARGE WAS CALLED DOWN TO MFA TO DISCUSS "US-LIBYAN RELATIONS" WITH NAJIB SHAYBANI, DIRECTOR OF POLITICAL AFFAIRS. ONLY SUBJECT SHAYBANI RAISED WAS "MINISTRY'S DECISION TO HOLD DISCUSSIONS WITH EMBASSY ON THE QUESTIONS YOU HAVE RAISED REGARDING COMPENSATION FOR PRIVATE AMERICAN PROPERTIES IN LIBYA -- ALL EIGHT CASES." CHARGE SAID HE WAS VERY PLEASED WITH THIS DEVELOPMENT, ESPECIALLY AS EMBASSY HAD RECEIVED NO SUBSTANTIVE RESPONSES FROM MINISTRY ON THIS SUBJECT FOR WELL OVER A YEAR. SHAYBANI INDICATED THE CASES WERE

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THOSE MENTIONED IN THE EMBASSY'S NOTE OF JUNE 6, 1972,

WHICH CHARGE HAD SENT HIM UNDER COVER OF A LETTER JUNE 14, 1973 AND HAD RECENTLY COMPLAINED TO HIM WAS NEVER ANSWERED (TRIPOLI 0897). ACTUALLY, ONLY SEVEN CASES ARE LISTED IN THE ENCLOSURES TO THAT NOTE (A LETTER FROM AMB PALMER TO MAJOR JALLUD DATED JUNE 5, 1972), BUT IT LATER BECAME APPARENT THAT SHYBANI WAS INCLUDING THE CONFISCATION OF THE UNION CHURCH OF TRIPOLI, WHICH THE CHARGE HAD ALSO RAISED IN THIS GENERAL CONNECTION ON JULY 9.

2. SHAYBANI INDICATED HE THOUGHT NEXT STEP SHOULD BE FOR EMBASSY TO PROVIDE "THE DETAILS" ON THE EIGHT CASES. CHARGE REPLIED A) THE DETAILS OF THE STATUS OF EACH CLAIM WAS PRECISELY WHAT THE EMBASSY HAD BEEN SEEKING FROM MFA, AND B) THERE WERE, HOWEVER, SOME DETAILS, ABOUT THE CURRENT ATTITUDES OF THE PRIVATE AMERICANS INVOLVED, THAT PERHAPS THE EMBASSY COULD CONTRIBUTE TO ANY DISCUSSION. BY WAY OF EXAMPLE, HE SAID HE KNEW ESSO LIBYA HAD BEEN OFFERED A SUM FOR ITS NATIONALIZED OIL-PRODUCTS DISTRIBUTION SYSTEM, BUT AT THE TIME HAD REJECTED THE OFFER AS RIDICULOUSLY LOW; HOWEVER, HE COULD NOT BE SURE OF ESSO'S CURRENT ATTITUDE WITHOUT CHECKING. IN THE CASE OF THE SEVENTH DAY ADVENTISTS, HE UNDERSTOOD THEY HAD RELUCTANTLY AGREED TO A CERTAIN OFFER BUT EVEN SO HAD NEVER RECEIVED THEIR CHECK FROM THE LARG; AT LEAST THAT WAS SO AT HIS LAST REPORT. IN A CASE LIKE THIS, THE PROBLEM WAS EXCLUSIVELY IN THE LARG, PERHAPS THE TREASURY OR BANK OF LIBYA. BRIEFLY, THEREFORE, EACH CASE WAS DIFFERENT AND TO GET TO THE BOTTOM OF EACH IT WOULD BE NECESSARY FOR LARG AS WELL AS USG TO FERRET OUT THE DETAILS OF WHAT WAS HOLDING UP COMPENSATION. EMBASSY WOULD CERTAINLY DO ITS PART, BUT MINISTRY SHOULD ALSO. SHAYBANI COMPLAINED THAT MFA FILES REVEALED NOTHING ABOUT STATUS THESE CASES, BUT AGREED MINISTRY SHOULD START OBTAINING DATA FROM OTHER ELEMENTS OF LARG. CHARGE SAID THAT MEANWHILE HE WOULD LOOK INTO QUESTION OF CURRENT ATTITUDES OF AMERICANS INVOLVED, AND REPORT THIS CONVERSATION TO DEPT.

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3. IN THIS TALK, NEITHER SHAYBANI NOR CHARGE USED TERM "NEGOTIATION" INSTEAD OF "DISCUSSION", AND CHARGE MADE CLEAR THE CLAIMS UNDER REVIEW WERE BY PRIVATE AMERICANS AGAINST THE LARG OR AN AGENCY THEREOF. EMBASSY ESSENTIALLY ONLY TRYING, AS IT HAD ALL ALONG, TO OBTAIN INFORMATION ON CAUSES OF DELAY IN COMPENSATION AND TO EXPEDITE IT AS POSSIBLE.

4. COMMENT: BELIEVE THE CONTEMPLATED DISCUSSIONS BETWEEN EMBASSY AND MFA FALL WITHIN SCOPE OF ACTIONS THAT MAY BE TAKEN AT POST'S DISCRETION PER 10 FAM 988.1 AND 2B. HOWEVER, AS DISCUSSIONS TEND TO BE OPEN-ENDED, DEPT MAY WISH TO CONSIDER ISSUING CONTINGENCY INSTRUCTIONS ALONG LINES 10 FAM 988.2C. CERTAINLY AN EXCESSIVE DELAY BY LARG IN PAYING COMPENSATION, E.G. OVER 3 1/2 YEARS IN CASE OF ADVENTISTS, RAISES A QUESTION WHETHER THE PRIVATE AMERICAN INTEREST CAN HOPE TO COLLECT WITHOUT FURTHER PRESSURE FROM THE USG AND POSSIBLY BY IMPLYING THAT ITS CASE IS MERITORIOUS.

5. FOLLOWING IS OUR LATEST INFO ON STATUS OF THE EIGHT CASES:

A. SEVENTH DAY ADVENTIST HOSPITAL: LARG COMMITTEE OFFERED A REDUCED SUM IN 1972 AND SDA INDICATED ACCEPTANCE, BUT HAS BEEN UNABLE TO COLLECT, SO FAR AS WE KNOW. EMBASSY WILL CHECK.

ESSO MARKETING DIVISION: SITUATION BELIEVED TO BE AS STATED ABOVE, BUT WE WILL DOUBLE CHECK.

C. BANK OF AMERICA'S INTEREST IN SAHARA BANK: SAMIR KALDAWI, AMCIT B/A OFFICER HERE TILL RECENTLY, WAS PURSUING THIS SUBJECT AND TOLD US IN LATE JUNE HE WAS OPTIMISTIC ABOUT PAYMENT AS FILE HAD FINALLY BEEN BROKEN LOOSE FROM LARG TREASURY AND NOW WAS WITH BANK OF LIBYA. (COMMENT: WE ARE SKEPTICAL.)

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INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-15

SCS-03 SCA-01 EB-11 COME-00 TRSE-00 OMB-01 OPIC-12

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R 240952Z JUL 73

FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 0341

LIMITED OFFICIAL USE SECTION 2 OF 2 TRIPOLI 0967

D. MORGAN GUARANTEE TRUST INTEREST IN BANK OF
NORTH AFRICA: LAST WE HEARD MORGAN OFFICIALS WERE
FRUSTRATED AND DISCOURAGED. NEED CURRENT ASSESSMENT.

E. AMERICAN INTEREST IN SAHARA INSURANCE COMPANY;
ALL LIBYAN AND RESIDENT EXPATRIATE SHAREHOLDERS WERE
COMPENSATED IN 1972. NOT CLEAR TO US

(#)

AMERICAN INTEREST (NON-RESIDENT) RECEIVE EITHER EDEFFER#OR
COMPENSATION.

F. BROWN AND ROOT INTEREST IN LIBYAN ENGINEERING
AND CONSTRUCTION CORP: LAST WE HEARD, TWO YEARS AGO,
B&R HAD VIRTUALLY LOST INTEREST IN COMPENSATION, WHICH
THEY DEEMED MOST UNLIKELY ANYWAY (PROBABLY CORRECTLY,
CONSIDERING THEIR PARTNERS WERE CLOSE TO
FORMER REGIME HERE).

G. REAL ESTATE OF JOSEPH CASSARA: LAST WE HEARD
FROM HIS LAWYER IN THE STATES, HIS LAWYER HERE WAS DOING
LITTLE IF ANYTHING FOR HIM. BELIEVE OUR DISCUSSIONS
WITH MFA MIGHT BE HELPFUL BY SIMPLY ESTABLISHING FACT
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THAT AT TIME OF NATIONALIZATION OF ITALIAN PROPERTY
HERE (1970) HE WAS A U.S. CIT, A FACT THAT USG COULD
APPROPRIATE ESTABLISH.

H. UNION CHURCH OF TRIPOLI: EMBASSY HAS THE
FACTS AND ADEQUATE INSTRUCTIONS ON THIS CASE.

6. REQUEST DEPT COMMENTS, INSTRUCTIONS, AND UPDATED
INFO IF ANY ON ABOVE CASES, ESPECIALLY C, D, E, F AND
G. (IN CASE QUESTION ARISES, I WOULD PREFER, FOR
REASONS I CAN EXPLAIN, NOT TO INCLUDE CASE OF
NATIONALIZATION OF NELSON BUNKER HUNT OIL COMPANY
IN THESE PARTICULAR DISCUSSIONS, AT LEAST AT THE
START.)
JOSIF

NOTE BY OC/T: TRIPOLI 967 AS RECEIVED. CORRECTION TO FOLLOW
SECTION 2 OF 2.

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Message Attributes

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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TAGS: CPRS, EFIN, ENRG, LY, US
To: STATE
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